

MINUTES

Walker Field Airport Authority Special Board Meeting October 30, 1987

BOARD MEMBERS PRESENT: Chairman Ron Gibbs, Directors Bill Love, Elaine Ingvertsen, Reford Theobald, Maxine Albers, Henry Fausone. Also present: Manager Frank Miller, Administrator Jeff Wendland, and Deputy Clerk Corinne Nystrom.

GUESTS: Charles Beshero, Budget Rent A Car, Inc.; Barclay Westerfeld, Traylor, Arnold, Tompkins & Black, P.C.; Rene Will, Budget/Castle Peak Transportation; Kenneth Ray Cox, National Car Rental; Shirley Howard, National Car Rental; Tari M. Folkestad, Hertz; Jim McCarron and Ed Taylor, Avis; Harry Griff, Walker Field Airport Authority Attorney.

Meeting Called to Order

Chairman Gibbs called the Board meeting to order at 3:00 p.m. A quorum was present.

OLD BUSINESS

Rental Car Percentage Rent

Ed Taylor of Avis had requested that this item be placed on the agenda. Public discussion was held regarding the purpose of setting a minimum bid amount, how the figure of \$40,000.00 minimum was derived and whether or not the \$40,000.00 minimum was a prudent and fair amount to be establishing.

Manager Miller recommended that the Board continue to charge the rental car agencies 10% of gross receipts.

Board discussion was held, requesting a confirmation from staff regarding the accuracy of statistics submitted by Avis relative to the above described topics. Further discussion was held on these topics.

The Board took no action to change the \$40,000.00 minimum guarantee or 10% of gross revenues requirement.

Off-Airport Rental Car Charges

Manager Miller recommended that the Airport Authority charge off-airport rental car operators 10% of their gross receipts for time and mileage generated from airport business.

Discussion followed as to how this policy would be monitored, that the decision to do so must be motivated by revenue-producing factors for the airport by authorizing off-

Walker Field Airport Authority
Special Board Meeting Minutes
October 30, 1987

airport rental car companies to access and do business on the airport and that it should not be motivated by a desire to protect on-airport rental car concessionaires.

Director Love moved to amend the fees and charges as recommended by staff to include the provision that a 10% of gross revenue charge be placed on off-airport rental car companies doing business on-airport and that those off-airport rental car companies be required to enter into a concession agreement with the Authority prior to doing business on-airport. Seconded by Director Theobold. Unanimously carried.

Service Area Reduction

Manager Miller stated that some rental car concessionaires have expressed a desire to reduce the two-acre service area sites to one acre. He recommended that if the Authority chose to reduce the service area for one concessionaire, it would be advisable to reduce the service area sizes for all concessionaires, or conversely, if one concessionaire wants to lease two acres, all parcels should remain at two acres. He also commented that some of the current operators with improvements are concerned about potential drainage problems if construction occurs on some of the other parcels.

Discussion followed relative to the potential drainage problem, what types of consideration would be given to current operators who have already built improvements on their service areas, and which service area Avis will bid on. Ed Taylor of Avis indicated that if Avis bids, they will bid on the northern section of the Budget lot provided that the Airport Authority provide utilities up to their lease line. Further discussion was held regarding the current locations of the utilities, the cost that would be involved in extending utilities, how the service area lots would be broken up if they are reduced to one acre sites, whether or not the issue of how the sites will be broken up should even be addressed at this time, engineering studies which have been conducted on the sites regarding utilities, and which sites can actually be built upon.

Director Theobold moved to reduce the service areas to one acre lots as those one acre sites are to be recommended by staff. Seconded by Director Albers. Unanimously carried.

Manager Miller recommended that the rent for the service areas remain at \$250.00 per acre, that \$3,000 per year (or a total of \$15,000 for a five year concession term) would be added to the bid for someone who elects to take a service area, and that an appraisal on the properties be conducted in five years

Walker Field Airport Authority
Special Board Meeting Minutes
October 30, 1987

using the same standard language used in the current BFLP/Airport Authority Specialized FBO Agreement regarding appraisals.

Director Theobold moved that the Board adopt staff's recommendation. Seconded by Director Love. Unanimously carried.

Performance Bond of Rental Car Concession Agreement

Manager Miller recommended that either a performance bond or security deposit be required of all successful rental car concessionaires as long as it equals 50% of the average minimum annual guarantee over the 5-year concession term. The security deposit would be acceptable in the form of a certificate of deposit issued in the name of the Walker Field Airport Authority with any interest earned payable to the concessionaire.

Director Faussone moved to amend the bid documents for the Concession Agreement to accept a security deposit or a performance bond. Seconded by Director Theobold. Unanimously carried.

NEW BUSINESS

None

OTHER MATTERS

Addendum No. 15

Addendum No. 15 to the Rental Car Concession Agreement regarding the criteria for awarding the concession rights was presented. Attorney Griff clarified the addendum.

Discussion followed relative to a potential ambiguity of wording in paragraph 3 regarding "substantial" improvements of less than \$50,000.00. Discussion also covered the maximum credit that a bidder could be given for committing to build substantial improvements would be \$100,000, and that the Airport Authority would have the right to reject exceedingly high minimum guarantee bids, especially if the bidder is not committing to build substantial improvements.

Director Theobold moved to approve Addendum No. 15 as Attorney Griff had submitted it, defining the criteria for awarding the concession agreements for on-airport rental car operators; however, deleting that portion of it that reserved the right, in the Authority's discretion, to reject a bid for being too high, and deleting the word "substantial" in paragraph 3, line 33. Seconded by Director Faussone. Unanimously carried.

Walker Field Airport Authority
Special Board Meeting Minutes
October 30, 1987

Addendum No. 16

Attorney Griff stated that Addendum No. 16 changes the definition of substantial improvements from \$100,000 to \$50,000.

Chairman Gibbs noted that this change had already been approved.

Addendum No. 17

Attorney Griff stated that Addendum No. 17 states that the rental car terminal building space would be awarded on the basis of the net value to the Authority, that the highest bidder would be allowed to choose which space it would occupy, and the remaining successful bidders would select space in descending order of the net value to the Authority.

Discussion followed regarding the responsibility for paying relocation costs from one terminal space to another. Attorney Griff responded that each individual concessionaire would be responsible for its own relocation costs even if they were forced to move because they were not one of the higher bidders. Manager Miller recommended the writing of Addendum 18 which would stipulate that each concessionaire be responsible for its own relocation costs.

Discussion followed to clarify that the highest bidder would have its choice of locations in the terminal building and that the Airport Authority would not be dictating this. Also, discussion was held regarding the potential sale of the current National and Budget improvements in the event either of these operators is an unsuccessful bidder. Clarification was made regarding the last day that a current operator could do business on the airport if it doesn't bid or if it is an unsuccessful bidder.

Resignation of Manager Miller

Manager Miller has accepted employment with another airport in Florida and submitted his resignation. The resignation was accepted with regret. Manager Miller stated that he did not actively seek the position which was offered to him and that he was very happy with his employment here at Walker Field. He commended the Board members for their time, support and commitment in serving on the Board.

PUBLIC COMMENT

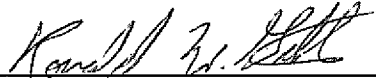
None

Walker Field Airport Authority
Special Board Meeting Minutes
October 30, 1987

Meeting Adjourned

There being no further business to come before the Board, Director Faussone made a motion to adjourn the meeting at 4:50 p.m. Seconded by Director Theobald. Unanimously carried.

ADOPTED AND PASSED this 19th day of November, 1987.



Ronald W. Gibbs, Chairman

ATTEST:



Corinne C. Nystrom, Deputy Clerk